

The successful business owner devotes attention to the basic three M's:

- Management
- Money
- Marketing



Chapter I: Getting Started

An important question should be addressed before deciding to go into business: *Are you the right type to become a successful business owner?* This question is often overlooked. It will be to your benefit if you take some time and list the advantages and disadvantages of owning a business.

Consider:

Advantages

- Being the boss
- Opportunity for flexibility
- Potential for greater income
- Creative outlet
- Independence

Disadvantages

- Financial obligations
- Responsibility for financial decisions
- Change in economic conditions
- Competition
- Long business hours

After you have finished writing your list, take another look at the disadvantages. Are you ready to deal with these problems? If you still maintain a positive attitude on becoming a business owner, you have one personality trait that is essential—drive.

Personality traits can have a great impact on your success in operating a profitable business. A profile of a typical successful business owner is included for comparison to your unique traits.

- Drive: responsibility, vigor, initiative, and persistence
- Thinking ability: original, creative, critical, and analytical
- Human relations: emotional stability, sociability, good personal relations, consideration, cheerfulness, cooperation, and tactfulness
- Communication skills: verbal comprehension, and oral and written expression
- Technical knowledge: comprehension of physical process of producing goods and services, and ability to use the information effectively

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Failure to plan for these basic components increases the possibility for the business venture to fail. Ineffective management accounts for the vast majority of all business failures. A critical element in successfully managing a business is the development of a written business plan.

Chapter 2 addresses the business planning process and the items that should be included in that plan.

Chapters 3 and 4, on management, include these topics:

- Forms of business organization
- State and local tax obligations
- Federal regulations
- Business insurance
- Legal aspects of operating a business
- Finding, training, and retraining employees
- Other personnel issues
- Immigration
- Incubators
- Leasing employees
- Crime prevention

Chapter 5 addresses money issues:

- Credit policy
- Loans
- Federal lending programs
- State financing programs

Chapter 6, on marketing, covers:

- Research resources
- Pricing products and services
- Consumer services

- Trade Shows
- Associations
- Doing business with federal, state, or local government
- Export sales

Chapter 7 provides information about local, state, and federal regulations that may apply to your business the registration process.

Since ineffective management results in many business failures, it is important to examine aspects of management. The assistance of an attorney is vital in examining the legal aspects of going into business. Obtaining résumés of all key persons who will be associated with your business and establishing a personnel policy are part of the recruiting process. What benefits will you offer your employees? An adequate system of record keeping must be established. What are your tax obligations and do you have adequate business insurance? If you are considering sales or accounts, review the advantages and administrative decisions involved. You can consult your local law enforcement agency for methods of preventing burglary, robbery, shoplifting, internal theft, and bad checks. Because of the newness and size of your business, you may wish to consider leasing employees or utilizing an “incubator” concept. These topics will be discussed in greater detail in the management chapters.

The prospective business owner must determine the cost of opening a business. Are you purchasing an existing business, purchasing your own building, or leasing space? Once this decision is made, other monetary determinations can be made. What sources of capital are available? How can you use your business plan to get a loan? What will be your credit policy? The money chapter will contain avenues to pursue in getting the necessary financial backing.

Marketing is a word that is used extensively to cover numerous areas. The marketing chapter will guide you through researching your product, determining the location that meets the market needs, and determining your competition. You are going to advertise your business and you need to know sources and costs of advertising. Can you price your products and services to yield a profit and still be competitive? What exporting opportunities exist for your product? All of these seemingly diverse areas are components of marketing.

If you are still determined to continue in your business venture, the ensuing chapters should give you guidance.

